

## 599 - OC SPECIAL FINANCING AUTHORITY

### Operational Summary

#### Agency Description:

To make timely debt service payments on the 1995 Orange County Special Financing Authority Teeter Plan Revenue Bonds and to transfer surplus revenues to County General Fund 100 Agency 016 as provided for in the Second Amended Modified Plan of Adjustment. The surplus transfer to Agency 016 ended in FY 2000-2001, future surplus transfers will be made to Fund 100, Agency 100.

In 1995 the Orange County Special Financing Authority issued \$155,000,000 of revenue backed bonds: Series A (taxable) \$32,375,000; Series B, \$20,625,000; Series C, \$34,000,000; Series D, \$34,000,000; and Series E, \$34,000,000. The proceeds of the bonds were used to pay the holders of the County's 1994-95 Teeter Notes and to fund an on-going Teeter Program.

The use of long term bonds to fund the Teeter Program is unique to Orange County and is authorized by special State statute. The Teeter program is an alternate secured property tax distribution plan. Normally the secured property taxes actually collected by a County are distributed to taxing agen-

cies (e.g. school districts), resulting in less than 100% of the tax levy being distributed because of delinquencies. Under the Teeter Plan, the County distributes 100% of the levy to the taxing agencies and in exchange receives the right to keep the delinquent taxes, penalties and interest.

The Orange County Special Financing Authority was set up in 1995 to administer the Teeter Plan in Orange County. The penalties and interest collected on tax defaulted properties provide the revenue to pay the debt service on the Teeter Bonds and, if available, surplus revenue for General Fund 100 Agency 016 (Recovery Certificates of Participation Financing) until FY 2000-2001. Beginning in FY 2001-2002, any surplus will be released to the County General Fund. The Board of Directors of the Authority are the members of the Orange County Board of Supervisors.

In November 2000, the outstanding Series "A" (taxable) Bonds were reduced by \$2,400,000; as of June 30, 2001, \$125,225,000 in principal was outstanding from all five series. The Teeter Bonds will be paid off in 2014.

#### At a Glance:

Total FY 2000-2001 Actual Expenditure + Encumbrance:	75,891,709
Total Final FY 2001-2002 Budget:	200,538,000
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Strategic Goals:

- Make timely debt service payments and provide surplus revenue for the bankruptcy recovery as contemplated in the County's Second Amended Modified Plan of Adjustment.

#### Fiscal Year 2000-01 Key Project Accomplishments:

- Reduced outstanding balance of the Series "A" (taxable) bonds by \$2,400,000.

### Budget Summary

Make annual transfers of surplus cash to the General Fund.

#### Plan for Support of the County's Strategic Priorities:

## Changes Included in the Base Budget:

Reduced debt service due to the FY 2000-2001 retirement of \$2,400,000 in Series "A" (taxable) bonds.

## Final Budget and History:

Sources and Uses	FY 1999-2000 Actual Exp/Rev <sup>(1)</sup>	FY 2000-2001 Final Budget	FY 2000-2001 Actual Exp/Rev <sup>(1)</sup>	FY 2001-2002 Final Budget	Change from FY 2000-2001 Actual	
					Amount	Percent
Total Revenues	76,413,081	41,300,000	75,899,133	75,300,000	(599,133)	(1)
Total Requirements	77,983,034	135,123,867	75,891,709	200,538,000	124,646,291	164
FBA	128,381,580	93,823,867	126,811,627	125,238,000	(1,573,627)	(1)

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2000-01 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: OC SPECIAL FINANCING AUTHORITY in the Appendix on page 560.

## Highlights of Key Trends:

- The energy crisis may impact the ability of the Teeter Plan to generate surplus revenue releases to the County if local utilities either cannot pay property taxes when due or if the State assumes ownership of their County property.